



State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

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Division Director

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Governor

GARY R. HERBERT
Lieutenant Governor

April 25, 2006

Larry Garahana
BLM - Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119

RE: 3rd Review of Notice of Intention to Commence Large Mining Operations, Northern Stone Supply, Inc., Turquoise Stone Quarry, M/003/020, Box Elder County, Utah

Dear Mr. Garahana:

The Division has completed our review of Northern Stone Supply's draft Notice of Intention to Commence Large Mining Operations for the Turquoise Stone Quarry, located in Box Elder County, Utah, which was received March 28, 2006. We have also reviewed your draft comments of April 20, 2005.

At this time, the Division has the following comments to make regarding this plan.

- The plan does not include the acreage for the 'rock gathering areas' nor is there any reclamation cost associated to cover the seeding of these areas. This needs to be provided in the plan.
- The reclamation cost estimate needs to use current cost rates. The following need to be updated. The Division suggests using the Means Heavy Construction Data and DataQuest Rental Rate Blue Book to estimate equipment and labor costs for projects in the state. The following rates are from these sources.
 - Power Equipment Operator \$36.70/hr + \$13.53/ fringe = \$50.25/hr
 - Laborer \$20.00/hr + \$ 5.25 /fringe = \$25.25/hr
 - Foreman \$37.55/hr + \$13.84/fringe = \$51.39/hr
 - Cat D9R Dozer \$190/hr+\$79.40/hr op. cost = \$269.40/hr--
State Correction - 0.941 = \$253.50
 - Cat 325 Excavator \$105/hr + \$41.75/hr op cost = 146.75/hr --
State Correction - 0.942 = \$138.24
- There is not any supervision figured into the cost -- State uses 10% of total estimate for supervision costs.
- The escalation factor now being used by the State is 1.6% compounded for 5 years.
- The seeding cost provided by the operator is based on a 2004 seed bid and a 2003 seeding (labor and equipment) estimate. These estimates are low, and there is no guarantee that the Division could obtain the same goods and services for these costs. The Division currently uses \$280/acre for seeding (seed, equipment and labor). Please have the operator use this figure for the reclamation cost estimate.

Larry Garahana

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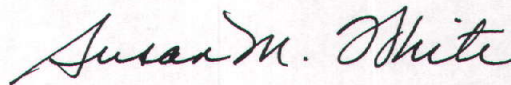
M0030020

April 25, 2006

While the BLM is acting as lead for this review, the Division requests that the final reclamation surety be held jointly with the Division holding the actual instrument since both BLM and Fee property are involved (it is our understanding that the BLM cannot hold a bond for non-federal lands).

If you have any questions in this regard please contact me (538-5258), or Lynn Kunzler (538-5310) of the Minerals Staff. Thank you for your coordination of this permitting action.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SW:LK:jb

cc: Gary Mullard, Operator

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